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## **JAEGER APPROVES REFERRAL RELATING TO ETHANOL PRODUCTION SUBSIDIES**

**Bismarck, ND** – Earlier today Secretary of State Al Jaeger approved for circulation a petition to refer Senate Bill 2222 relating to ethanol production subsidies. Senate Bill 2222 was recently approved by North Dakota's 58<sup>th</sup> Legislative Assembly and signed by Governor Hoeven.

After the referral petition was submitted to the Secretary of State's office on May 15, the agency reviewed the petition, made minor formatting changes, and developed a short and concise summary of the measure that will be included as the petition's ballot title. The ballot title, also approved by Attorney General Wayne Stenehjem, states the following:

The measure being referred, Senate Bill No. 2222, approved by the 2003 Legislative Assembly, provides for ethanol production subsidies to eligible new and existing ethanol production plants.

The measure creates an ethanol production incentive fund. It is funded by a portion of the fees paid for the registration of farm vehicles and by redirecting one cent of the existing seven cents per gallon reduction in the refund of motor vehicle fuel taxes paid on fuel used for agricultural purposes. The redirected one-cent per gallon was previously deposited in the highway tax distribution fund. Annual transfers to the ethanol fund cannot result in a balance in the fund that exceeds five million dollars.

The measure requires the agricultural products utilization commission to distribute subsidy payments to ethanol plants constructed after July 31, 2003. Payments are calculated by a market-derived formula based on the price of corn relative to the price of ethanol. Payments to ethanol manufacturers cannot exceed one million six hundred thousand dollars annually or a cumulative total of ten million dollars.

The measure provides that until July 1, 2005, ethanol production plants in operation before July 1, 1995, may receive limited subsidy payments for a fiscal year based on the plant's production capacity, gallons produced, and gallons marketed.

Jaeger indicated in a letter to the sponsoring committee's chairmen, in order to place the referral on the ballot, petitions circulators must collect 12,844 signatures of qualified North Dakota voters. The sponsoring committee has ninety days, or until July 13, 2003, to circulate petitions and submit them to the Secretary of State for review.

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